2010 and Beyond
A Vision of America's Transportation Future
Hudson Institute Fulfillment Center

POLICY RECOMMENDATIONS

Policy Issue #1: Transportation Finance

Context:

- Our nation's transportation network provides mobility for both people and goods.
- Transportation efficiencies represent a major factor in achieving economic competitiveness in the global market.
- Failure to invest in our nation's surface transportation systems and infrastructure will result in significant negative consequences to our quality of life and the nation's economic vitality.
- Traffic volumes have grown 80% in the last 20 years and will grow 50% more in the next 20 years.
- Cambridge Systematics estimates the cost to maintain the current transportation system to be $4.4 trillion between 2000 and 2025, or $1 trillion more than currently available.
- Cambridge Systematics estimates the cost to improve the current transportation system to be $5.3 trillion between 2000 and 2025, or a $2 trillion gap with available funds.
- Transit ridership is up 24% in the last six years, with 9.7 billion trips in 2001.
- It is estimated that it would take $43.9 billion per year to improve the current physical condition of our nation's transit system.
- Current New Starts projects number 78, with a total value of $47 billion, vying for just about $1.2 billion per year in funding.
- There are another 150 projects in development stage that would compete for New Starts funding in the near future.
- Funding for homeland security measure is insufficient to protect national transportation assets in an adequate manner.

Policy #1 – Transportation Finance Recommendation

Transportation investments must be funded from a comprehensive set of revenue sources that are sustainable and reflective of consumer choice.

Strategies:

1. The United States Congress should adopt funding strategies that represent "net new" revenue sources for transportation investment.
2. The Congress should encourage and expand High Occupancy Toll (HOT) lanes and the use of user fees by giving the states broad authority to implement these strategies on state corridors as well as interstate freeways.
3. Congress should create new opportunities for transportation agencies and properties to enhance revenue through consumer choice for mobility and mode.
4. The United States should begin to develop the strategies necessary to transition to a Vehicle Miles Traveled (VMT) based revenue system to be implemented in the 2015 timeframe.

Policy Issue #2: Mobility Management

Context:

- Our nation's transportation system is made up of transportation modes that operate individually with unrelated performance measures.
- Funding for transportation is largely mode-specific.
- The public is unable to make mobility decisions based on time, value, and cost because of the disparate manner in which the modes operate.
- The transportation system lacks a robust technology backbone that will allow further achievements in efficiency and effectiveness.

Policy #2 -- Mobility Management Recommendation

The United States must establish a transportation system where all modes operate as one in a Mobility Management environment.

Strategies:

1. It is our hope that Congress shall enact legislation giving transportation agencies broad authority and flexibility to employ funding in ways to create truly multi-modal transportation solutions to our nation's mobility needs.
2. Congress should enact legislation that removes barriers to technology deployment, thus advancing technology's role in creating the Mobility Management system.
3. Congress should remove organizational barriers at the federal level, allowing transportation modes to advance toward a seamless transportation system. These barriers include onerous environmental legislation, funding mechanisms, administrative procedures, and other impediments that serve to separate the modes and create inequality.

Policy Issue #3: Technology Deployment

Context:

- Fatalities on our nation's highways exceeded 42,000 in 2003.
- In spite of significant gains in seat belt usage, air bags, and other safety equipment in vehicles, the fatality rate continues to be approximately 1.5 per 100 million vehicle miles traveled.
- Our nation expends $230 billion per year on crash related costs.
- Operational inefficiencies on our nation's surface transportation system resulted in an annual user cost of $69.5 billion in lost productivity in 2001 for time spent on congested roads.
- There were 5.7 billion gallons of wasted fuel due to congestion in 2001.
- Technology advancements such as the crashless vehicle and other systems are available for deployment, but liability issues and other institutional/policy related barrier prevent their use.

Policy #3 -- Technology Deployment Recommendation

The United States must advance the rapid deployment of technology in all aspects of its transportation system to achieve optimal safety, security, and operational benefits into the future.

Strategies:

1. Congress should require the U.S. DOT to accelerate the integration of in-vehicle technologies for all modes and systems to achieve required safety and operational goals.

2. Congress should establish regulatory reform on insurance, tort liability, and anti-trust issues.
3. Standards and protocols should be adopted to address security and privacy issues as well as environmental integrity.
4. Congress should provide state transportation agencies and properties with broad authority to implement key technology components in their infrastructure.

Policy Issue # 4: Freight Systems

Context:

Freight growth (in billions of ton miles) between now and 2020 will increase as follows:

- Truck – 64 percent
- Rail – 49 percent
- Barge – 15 percent
- Air – over 100 percent

- Truck freight movements are impacted by the same issues of congestion and capacity as are the passenger modes of travel.
- Marginal changes in transportation cost for goods movement in both the domestic and international markets are critical to the economic vitality of our nation.
- Lack of investments in port infrastructure, transfer facilities, and intermodal centers is resulting in freight inefficiencies and capacity issues.
- Investments in freight infrastructure are not separately funded and have no dedicated revenue stream.
- Rail infrastructure is in need of significant investment. In order to maintain and operate current rail systems it would take an estimated investment of $8.5 billion per year in new funding.
- Freight facilities, especially ports, are vulnerable to terrorist threats, with only 5% of the containers coming into U.S. ports subject to careful screening.

Policy #4 -- Freight System Recommendation

Establish freight transportation systems, including highway, rail, ports, river, and air, as critical interrelated components contributing to our nation's role in the global economy.

Strategies

1. Congress should establish the National Strategic Freight Investment Program with dedicated revenues and a management system to accommodate needed freight investments in the future.
2. Congress should provide needed authority for the governance of freight investment to the U.S. DOT.
3. Congress should establish the Innovations Program for State and Local Freight Transportation to provide incentives for local and regional investments in freight systems impacting our nation's freight movement.